FOREIGN AGRICULTURE

December 29, 1969

The Flying Food Show

Brazil Spurs Wheat Production

U.S. Cotton in World Trade

FAO Begins Its 25th Year

Foreign
Agricultural
Service
U.S. DEPARTMENT
OF AGRICULTURE

FOREIGN AGRICULTURE

VOL. VII • No. 52 • December 29, 1969

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This week's cover:

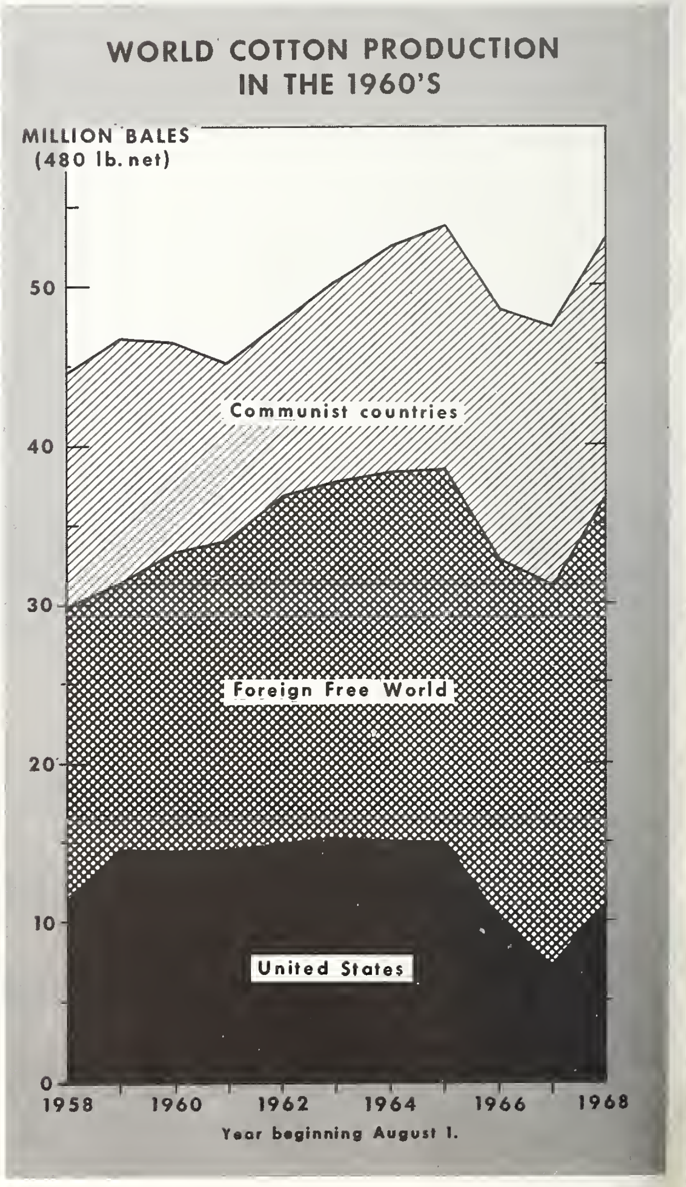
Much of the fruit sold in Hong Kong is vended by street hawkers like the happy saleswoman pictured here. American oranges and grapes are highly popular in the British Crown Colony. For the story of U.S. food promotions held in Hong Kong and other markets this fall, see page 16.

Use of funds for printing *Foreign Agriculture* has been approved by the Director of the Bureau of the Budget (May 1, 1969). Yearly subscription rate, \$10.00 domestic, \$13.00 foreign; single copies 20 cents. Order from Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.

The Story of the 1960's

For U.S. cotton, the past decade has been a battle on two fronts—against the onrush of manmade fibers, which has changed the shape of the world's textile industry; and against the rapid rise of cotton production in many foreign countries, which has whittled down the share of U.S. cotton on world markets. Both battles will continue in the 1970's.

By DEWEY L. PRITCHARD
Cotton Division, FAS



U.S. Cotton in World Trade

During the 1960's, textile industries around the globe have become truly multifiber oriented; use of manmade fibers is as common to many of them as use of cotton. In many countries, including the United States, there has even been an absolute decrease in textile mill consumption of cotton, not simply a decline in cotton's share of the market. With many foreign producing countries increasing their cotton consumption almost as fast as their production increases, world trade in cotton has shown little growth during the decade; and U.S. exports, in particular, dropped during the most recent season to 2.7 million running bales—their lowest point since 1955-56. Prospects for the current season appear to be only slightly improved.

Changes in world fiber use

During the decade, total world use of cotton and the manmade fibers competitive with it has continued to expand in response to population growth and rising standards of living. Yet, as the chart on page 4 shows, most of the expanded demand for fiber has been absorbed by increased output of manmade fibers.

During the past 10 years, world consumption of cotton increased by about 7 million bales to 52.8 million in 1968-69. In contrast, manmade fiber output expanded by nearly 34 million cotton bale equivalents, from around 17.5 million to about 51.2 million in calendar 1968, with more than 8 million bales of the increase in 1968 alone. Cotton's share of the market declined from over 70 percent of the total to 51 percent in 1968.

By far the largest rate of expansion has been in the category of noncellulosic manmade fibers, such as nylon, dacron, polyester, and acrylic. Some of these fibers are used for blending with other manmade fibers or with the natural fibers. Total production of noncellulosic fibers totaled 30.1 million bale equivalents in 1968, compared with the 1958 production of 3.8 million.

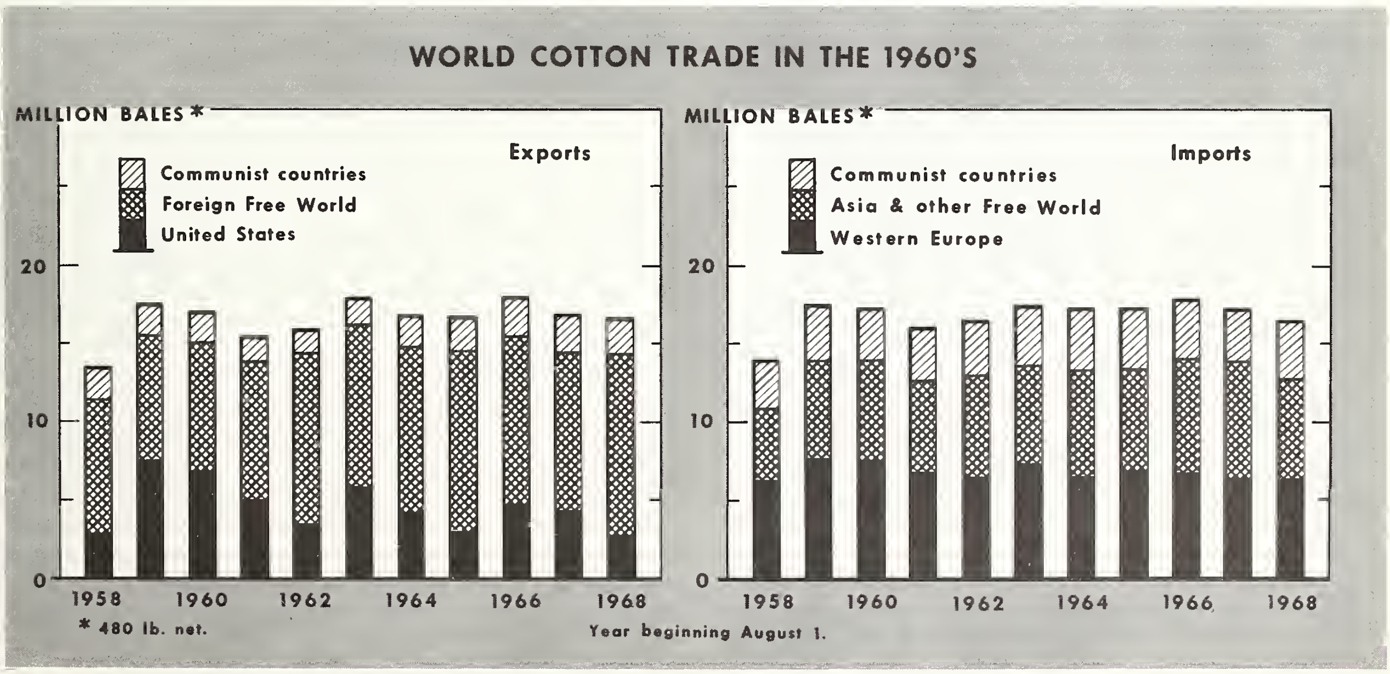
Slightly more than two-fifths of the 1968 world total of noncellulosic fiber was produced in the United States; four-fifths of the remaining supply was produced in Western Europe and Japan, with production in Communist countries totaling about 1.8 million bale equivalents in 1968, or around 6 percent of the world supply.

Production of cellulosic fibers such as rayon and acetate has increased from 13.7 million bale equivalents in 1958 to 21.1 million in 1968. The rate of expansion for these fibers has been highest in the less developed countries.

World cotton imports lag

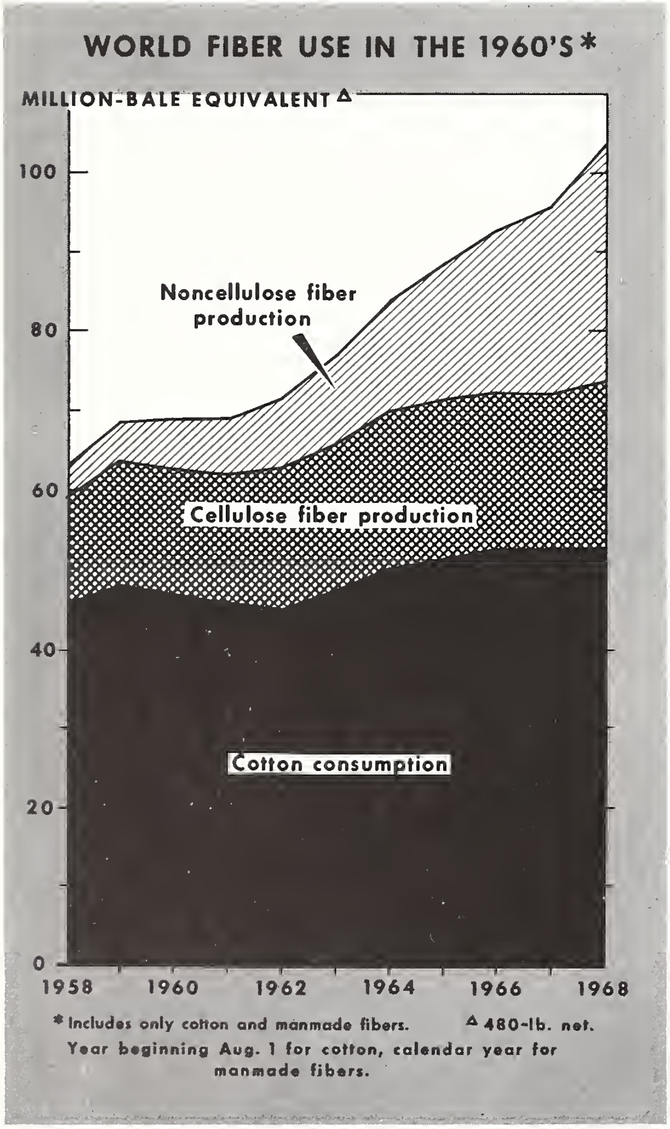
Reflecting the worldwide shift toward greater use of manmade fibers, world trade in cotton—while fluctuating from year to year with current and expected market conditions—has shown little real growth during the decade. Total imports were 14 million bales in 1958-59; in 1968-69, they were only 16.5 million. In the interim they had hovered around 17 million in most years, with a high of 18 million in 1966-67.

As the chart below shows, there has been an appreciable decline in imports of raw cotton into Western Europe—the major market area—during the sixties. Sharply rising use of manmade fibers in most of these countries, as well as a deteriorating textile trade balance in many, caused a shrinkage in demand for raw cotton. In some West European countries, there has been an absolute reduction in raw cotton offtake. In the United Kingdom, for example, annual mill consumption of cotton averaged 1,265,000 bales during the 3 years 1958-60; but in 1966-68, it averaged only 865,000 bales, for a reduction of almost a third. In Belgium, cotton consump-



tion averaged around 400,000 bales during the earlier years and about 300,000 in recent years. Large declines have also occurred in West Germany, France, and other countries. Counter to this trend, Portugal is currently using nearly 50 percent more cotton than 10 years earlier. There has also been some increase in Italy.

The growth markets for cotton consumption during the past decade have been the non-Communist countries of Asia, where expanded cotton use has about offset the loss in Western Europe. Cotton consumption in Japan, the largest single import market, averaged slightly over 3.3 million bales during the three seasons 1966-68. This represents an increase of 14 percent from 1958-60. Hong Kong and Taiwan are each using nearly twice as much cotton today as they were 10 years ago. Substantial growth in cotton consumption has also occurred in Korea, the Philippines, India, Indonesia, Thailand, and Vietnam. Many of these Asian countries are net exporters of cotton textiles. Until recently, use of manmade fiber has been limited mostly to Japan, which is a large producer of these fibers; now, however, Hong Kong, Korea, and Taiwan are reporting large percentage gains in manmade fiber use by their textile industries.



Communist countries too have expanded their imports of cotton during the decade. A large part of the increase has been in Eastern Europe. But the increased demand for cotton in these countries was more than met by larger exports from the USSR; net imports by Communist countries from the Free World have actually trended downward in recent years, although a substantial increase may occur in the current season as a result of a sharp decline in the 1969 Russian crop.

Foreign cotton output expands

A striking development of the sixties, as the chart on page 2 shows, has been the almost continuous uptrend in cotton production outside the United States. Higher yields on increased acreage have boosted output in almost all important cotton areas of the world.

Foreign Free World cotton production surpassed 20 million bales for the first time in 1962, and except for 1966 it has set new records each year since then. Production in the current season is forecast at slightly under the 1968-69 level, when 26.0 million bales were harvested. The 10 largest foreign Free World producers, in order of volume harvested in 1968-69, are India, Brazil, Mexico, Pakistan, Egypt, Turkey, Sudan, Syria, Iran, and Colombia. These countries accounted for about four-fifths of total cotton production in the foreign Free World that season. Moreover, many of them export one-half or more of their annual output. A major exception is India, where more than 95 percent of the production is consumed by the domestic industry.

Aggregate production of cotton in Communist countries has also reached record levels in recent years. Except in the early 1960's, output in both the USSR and Mainland China—the only significant producers in the Communist group—trended upward during the decade.

United States controls acreage

While cotton production abroad was continuing its unrelenting rise, the United States was maintaining strict controls on acreage devoted to cotton. The acreage allotment during most of the decade was at the minimum permitted by law. Despite these tight acreage controls, production of cotton in this country exceeded disappearance in each of the 5 years 1961-65, and at the end of the 1965-66 season, the U.S. cotton carryover totaled 16.9 million bales.

In an effort to adjust production to market requirements and allow for the disposal of the accumulated surplus, the U.S. Congress enacted the Food and Agriculture Act of 1965, with a cotton program which became effective with the 1966-67 crop. Under the new program, the price support level for cotton was set at "90 per centum of the estimated average world market price," and producer incomes are supported by direct payments. The program will continue in effect through the 1970 season.

During the first 3 years of the program, farmers were paid to divert to other uses a portion of their allotted cotton acreage, with requirements for participation changed each year. In 1966, they were required to divert 12.5 percent of their allotment to be eligible for the price support benefits, and they were allowed to voluntarily divert an additional acreage up to a total of 35 percent of their farm allotment. Program participation in 1966-67 and again in 1967-68 resulted in the diversion of near-maximum allowable acreage; though less favorable terms in 1968 caused a reduction in acres diverted.

Massive diversions of acreage from cotton in those years coincided with unusually poor growing and harvesting conditions. Thus, low yields on small acreage dropped U.S. cotton production to 9.9 million bales in 1966-67 and 7.2 million in 1967-68. For the 1968 season, the required diversion rate was lowered to 5 percent and the payment rates for voluntary diversion were reduced. For the current season no diversion was required and no payments were made to farmers for voluntary diversion.

This reduction of diversion incentives in the past two seasons has resulted in some increase in acreage and production. However, growing conditions have been abnormal, especially in the current season, and yields are low. Production is estimated at 10.0 million bales, which amounted to less than one-fifth of the world total.

Provisions of the 1970 cotton program are essentially the same as for this season, except that the national acreage allotment is increased to 17 million acres from 16 million.

U.S. exports decline

Increased production of cotton in foreign countries without a corresponding increase in demand has resulted in a decline in demand for U.S. cotton during the past decade. In the last 10 years, U.S. exports have ranged from a high of 7.2 million bales in 1959-60 to 2.7 million in the 1968-69 season. Prospects for the current season show little improvement from a year ago. Exports in the first 3 months of this season were only 456,000 running bales, compared with 627,000 in the same months of 1968; but recent reports of sharp downward revisions in Russian and Mexican crop estimates indicate probable increased demand for U.S. cotton in coming months.

Smaller U.S. cotton exports have been offset by larger shipments from other countries. The U.S. share of total world exports reached a 10-year low of 17 percent in 1968-69, never again having attained the high of 42 percent with which it had opened the decade.

The largest cotton exporting nation in the foreign Free World is now Brazil, which exported around 1.7 million bales last season compared with an average of 489,000 in the 5 years 1957-61. Among the other countries that have expanded cotton exports during the decade are Colombia, Iran, Pakistan, Sudan, Syria, and Turkey; Central America, too (El Salvador, Guatemala, and Nicaragua especially), continued its export growth of the 1950's. In the USSR, larger crops have allowed larger exports over the past decade.

What of the future?

If U.S. cotton is to continue as a viable force in the export market, clearly the trends of the past decade must be changed. Two things have to be done. The steady erosion of cotton's share of the total fiber market must be arrested by better cotton product development and promotion, and U.S. cotton must maintain against foreign competition the primary position that it has held in world cotton trade. Measures have been instituted and new legislation is in the making which should help accomplish these goals.

In the United States, extensive research is being conducted by the U.S. Department of Agriculture and private organizations, such as the Cotton Producers Institute and the National Cotton Council, on ways of reducing the cost of cotton to the mill customer as well as ways to improve the quality of raw cotton and cotton products. The Cotton Producers Institute alone has allocated $3.4 million for research in 1969. The research efforts of this organization are being concentrated chiefly on the development of chemical finishing processes for cotton products and on the improvement of cotton's competitive position through research on insects, diseases, weeds, yields, quality, mechanization, marketing, mill processing, and finishing of both yarn and cloth.

To promote the consumption of cotton throughout the world, the United States joined in 1966 with a number of foreign cotton exporting countries to form the International Institute for Cotton (IIC). The IIC's purpose is to increase world cotton use through utilization research, market research, sales promotion, education, and public relations. Its active members include Greece, India, Mexico, Spain, Tanzania, Uganda, and the United States; Brazil has just announced its intention to join. The IIC is now operating cotton market development programs in 14 countries of Western Europe and in Japan—cotton's best market areas, which are under siege by manmade fibers.

The Institute is financed by assessments of $1 per bale on the spinnable cotton exported by each participating IIC member country to Western Europe and Japan. Its total budget for 1969 is $3.8 million. Additionally, cooperating manufacturers, retailers, and others in program countries are expected to at least match IIC's total expenditures, and in the Institute's existence so far, they have more than done so. This would make available a total of $7.6 million or more for cotton research and promotion abroad in 1969.

In the field of utilization research, the IIC operates through cooperative programs with leading research institutes and universities of Western Europe. The research it sponsors is concentrated on chemical finishing, with special emphasis on treatments to provide easy care and wrinkle resistance for cotton textile products. Advertising and sales promotion activities are conducted in all program countries. The broad objective is to stimulate the general demand for cotton products by emphasizing the advantages that cotton imparts.

Promoting U.S. cotton

Cotton Council International, promoting U.S. cotton in particular, conducts a market development program in Canada and a research program in India. CCI also has a program of servicing the foreign cotton trade on behalf of U.S. cotton. A service representative stationed in Belgium works with the European cotton trade; and during the past 2 years, CCI has conducted a U.S. cotton orientation program for foreign cotton spinners which includes guided tours to major centers of U.S. cotton production and processing. CCI's promotion of cotton focuses on its sponsorship of the annual Maid of Cotton program, through which it has demonstrated cotton's fashion advantages before trade audiences around the world.

Both IIC and CCI report favorable results for their promotion efforts, reflected in increased participation by important firms throughout their main target areas. Dividends from the research efforts are also beginning to appear.

The U.S. Government plays an important part in U.S. cotton's battle for markets, through legislative programs for cotton. On September 24, 1969, Secretary of Agriculture Clifford M. Hardin suggested to the House Committee on Agriculture two new approaches for cotton, and as this article goes to press, congressional committees are holding hearings on new cotton legislation that would relate to the 1971 crop.

Slow Sales of Spain's Table Olives and Olive Oil

Although crops of olives for both table use and oil are estimated as lower in 1969-70 (marketing year ending November 30, 1970) than in 1968-69, big carryover stocks from last year's large crop plus various marketing problems may leave Spain with an olive headache. Further obscuring the picture are some trade sources who think that the current olive crops are even larger than last year's.

Table olives

The 1969-70 crop of olives matured a little later than usual but was of good quality because of minimal damage by the olive fly and of generally large sizes because of abundant moisture. The table olive crop is about 55,000 metric tons, or 9.6 percent less than the 1968-69 crop.

Exporters are anxious about the coming season's sales. Overseas shipments in 1968-69 were about 40,000 metric tons compared with about 48,500 metric tons the previous market year, chiefly because of smaller purchases by the United States, Spain's best table olive customer. At present, the market for Spanish table olives is nearly at a standstill and prices for the new crop are dragging. Manzanilla, the type with the greatest production in Spain and the one most common on U. S. supermarket shelves, has particularly low price quotations.

The large 1968-69 table olive crop and present bulging carryover stocks are the chief price depressants. Another trend has had a poor effect on prices and sales according to some exporters—the practice of trying to sell only placed-pack olives abroad.

Placed-pack olives are stuffed olives packed by hand in neat geometrical designs in individual containers ready for retail sale. Because Spanish labor is inexpensive, olives placed-packed in Spain can compete with olives shipped in bulk to major markets and random packed there by machine. The Spanish exporter makes more profit by selling packed olives than olives in bulk.

Considerable controversy has developed between two factions of Spanish exporters of olives. One group strongly favors placed-pack sales exclusively. The other group feels their exports are being reduced by insistence on placed-pack sales.

Tentative estimates of exports for the 1969-70 season are 40,000 metric tons, or about the same as for the past season. To strengthen prices, a $4-million program is in effect to purchase surplus 1968-69 table olives. Many of the smaller table olives will be crushed for oil.

Olive oil

Despite the smaller expected olive oil crop in 1969-70 (339,500 metric tons compared with the latest official estimate for 1968-69 output of 443,600 tons), Spain may have trouble finding markets for the oil it has. Stocks as of November 1969 were about 237,800 tons and were up sharply from previous recent years.

The drop in the olive oil crop (about 23.5 percent) is partly because of the normal slump in output of olive trees every second year and partly because of an abnormally heavy fall of fruit in the spring of 1969 in the major oil-producing region in Spain.

Spain's two chief foreign customers for olive oil are Italy and the United States. Total exports for 1968-69 are estimated at 61,000 tons, of which Italy alone took about 40 percent. Other important markets were France, Australia, and Brazil. Trade sources project exports for 1969-70 at 80,000 tons, but the figure may be somewhat optimistic.

The Common Market gives special concessions to imports of olive oil from Greece, Tunisia, and Morocco. Unless Spain also gets concessions from the Common Market, its olive oil will get stiff competition in EC countries.

Although large supplies of olive oil are on hand and in prospect, prices, especially for high-quality oil, are holding firm. Trading, however, is very slow as sellers are waiting for new government crop regulations and prices.

—Based on dispatches from Dale B. Douglas
Assistant U. S. Agricultural Attaché, Madrid

Blurring the Butter-Margarine Boundaries in Sweden

New products coming on the Swedish market are breaking down the traditional distinctions between butter and margarine by the use of butteroil in margarine and soybean and other vegetable oils in butter.

In October 1969 three creameries of the Swedish Dairies Association in central Sweden started manufacturing and marketing a product named "Bregott," which is classified as margarine. Bregott, however, is 65 percent butter. Soybean oil constitutes 20 percent of the product, and other polyunsaturated oils another 15 percent. Bregott does not harden in the refrigerator and in general has the physical properties of high-quality margarine. Its price is about the same as that of butter. Bregott is being sold in plastic packs containing about three-fourths pound each in a number of selected local markets. A national advertising campaign for Bregott will be undertaken in 1970.

Soon after the introduction of Bregott the Swedish margarine industry decided to start adding butterfat or butteroil to margarine, and an agreement between the Swedish Dairies Association and the margarine industry was reached at the end of November. Starting in 1970, the margarine manufacturers will make all table and bakery margarines with 4 percent to 8 percent butteroil. The price of butteroil to margarine makers will be determined by a formula taking into account the import prices of fats and oils commonly used in margarine.

During 1970 the Swedish margarine industry will probably take between 4,000 and 8,000 tons of butteroil.

Both the margarine and the dairy interests have been granted exemption from the Food Law, which at present prohibits mixing butter and margarine.

The immediate effect of these arrangements will probably be a net decline in import requirements for fats and oils and a reduction in the exports of butter. The drop in imports of fats and oils will take place because, initially, the margarine industry will probably use more butter than the dairies will use vegetable oils.

—Based on a dispatch from James F. Lankford
U. S. Agricultural Attaché, Stockholm

An assessment of—

Brazil's Efforts To Grow More Wheat

By JOHN C. McDONALD
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Brazil continues to have a goal of becoming self-sufficient in wheat—but much remains to be done before that goal will be reached.

Because the average *brasileiro* finds it difficult to comprehend that wheat may be a commodity that does not thrive well in his homeland, it is a rare politician who dares to forecast anything but near-self-sufficiency in the future.

The agricultural professionals can be more realistic. They know that the fundamental problems of climate and soil may not yield to science and patience even over the long term—that the long-sought breakthrough to doubled or tripled Brazilian wheat yields may not come soon, if ever. They know, too, that though storage and the transportation infrastructure and absence of more modern production techniques and inputs are problems that can be coped with, they will be solved only with time and a heavy transfusion of additional resources.

Brazilians now consume about 3 million metric tons of wheat annually. Because production has not grown in conjunction with their needs they have had to import large quantities, with a consequent drain on the country's foreign exchange holdings. Even in 1968—a year when the domestic wheat crop reached an alltime high—wheat was the single most expensive Brazilian import; its value (c.i.f.) was the equivalent of US$182 million, or about one-fourth as large as last year's coffee export earnings.

The 1968 record wheat crop amounted to 693,000 metric tons compared with one of only 365,000 tons the year before. This year's crop is expected to set another record. It is estimated at a million tons, barring the occurrence of any violent weather disturbances through the end of December.

Achieving greater wheat production has so far been costly to Brazil, because the government offers such large incentives in order to stimulate production. One economist has estimated that in 1967 the net cost in Brazilian domestic resources to save one dollar's worth of wheat imports was US$2.27. Today the price paid to Brazilian wheat producers is about $107.53 per metric ton, plus other costs, such as transportation to distant mills and subsidized credit to wheat farmers. By comparison, Brazil recently purchased wheat of a better grade from the United States for less than $50 per ton (f.o.b.).

The Bank of Brazil, which makes all wheat purchases (domestic or imported), sells the grain to flour millers at about US$80 per ton. Thus, a million-ton crop would cost the Bank $107.5 million, but the Bank would get only about $80 million in return if it sold all the wheat to mills.

However, the government also handles all wheat imports. Profits on imports serve to offset losses sustained on domestic support operations. In reality, somewhere around 90 percent of the wheat the Bank buys is sold to the mills; the balance is sold to producers for seed.

The following report on various aspects of the current Brazilian wheat situation is the product of numerous interviews with scientists and government officials and visits to farms, research stations, and storage and port facilities.

Situation background

It is to be assumed that a Brazilian population already over 90 million and gaining rapidly will soon consume more than the present intake of 3 million tons of wheat a year.

Brazil's wheat production, even in record years, leaves a big gap to be filled by imports. In 1968, for example, domes-

Much of the storage goes down instead of up in this grain silo being built by a Passo Fundo wheat cooperative.

Left, Mexican wheat varieties in test plot on which both lime and rain were too little and too late. Right, second generation Mexican-Brazilian cross in a neighboring plot.

tic production supplied only about 23 percent of consumption. In the 5 years before, domestic production averaged about 10 percent of requirements. Most Brazilian wheat imports have come from the United States and Argentina.

Wheat production is concentrated in Brazil's three southernmost States—Rio Grande do Sul, Paraná, and Santa Catarina; last year these three accounted for about 83 percent, 13 percent, and 4 percent of the national crop.

Year after year in the past, humid spring weather in Rio Grande do Sul has been responsible for disease and insects that have decimated promising wheat crops. A succession of poor crops and low profit margins discouraged farmers, who began to turn to rice, soybeans, and livestock for surer returns.

Then, in 1968 and 1969 higher prices for wheat were set in advance of planting, and one record crop and another imminent one have resulted from ideal weather, expanded area, and improved financing of inputs. Earlier failures are being forgotten and wheat is being considered a possible contender for top profitability among products of the field, a position now occupied by coffee.

The mood of the moment in the wheat country is *tudo azul*, everything is A-OK. But hail, wind, or too much rain could darken the rosy picture even yet this year. And for the following years, there are still no seed varieties guaranteed to withstand renewed onslaughts of disease.

The Bank of Brazil keeps a rein on undisciplined wheat plantings through its financing of seed, fertilizer, and other inputs. It seeks to improve wheat quality by financing only approved seeds. Last year the bank refused to finance plantings more than 30 percent greater than those of the previous season, but it is likely that many growers exceeded this ceiling by financing their own inputs.

Average Brazilian wheat yields are still low—about 13 bushels per acre—and substantial increases in production cannot be achieved until yields are increased. Principal yield inhibitors have been the low levels of plant nutrients in the soil and the high soil content of free aluminum.

In search of better wheat

Many scientists in Brazil are working to improve Brazilian wheat yields through further or continued investigations into soil fertility, fertilizer use, cultural practices, and development of new, high-yielding, disease-resistant varieties. In view of the miraculous successes obtained with semidwarf wheat varieties in Mexico, India, and Pakistan, a natural question is, "Why doesn't Brazil achieve a similar breakthrough?"

Dr. A. M. Schlehuber, world-renowned wheat breeder now working at a Federal research station in Rio Grande do Sul, explains, "We have tested hundreds of Mexican varieties but haven't found one tailor-made for Brazil. We think rust is pretty well controlled here, but Gibberela and Septoria are Enemies No. 1 and No. 2, depending on the year. The ideal situation for retarding or preventing damage from these two diseases is reasonably cool temperature and reasonably dry weather from heading to ripening. This period is a long one in Brazil. The short Mexican wheats have the same amount of leaves and so don't get enough sun and air, and unless the plants have natural resistance they are victims. Brazil hasn't yet found a way of resisting these 'subtle' diseases, of using their genetic factors in a straight breeding program. The methodology hasn't been worked out yet. Sometimes resistance is achieved, but then the diseases show up again."

According to Dr. Schlehuber, Brazil has had a program of testing thousands of wheat varieties from Mexico, Argentina, Colombia, the United States, and elsewhere over the world. At numerous experiment stations in Brazil it has been well demonstrated that Brazilian wheat varieties have great tolerance to the soil aluminum toxicity that exists in much of he country. Imported varieties, including those from Mexico, usually don't have it. Soil experiments indicate that this tox-

icity can be corrected with applications of lime. Brazilian varieties do fairly well even without lime.

At another experiment station—a Rio Grande do Sul State station at Julio de Castilhos—wheat breeder Dr. Mario Bastos Lagos works on research emphasizing Mexican and Italian dwarfs crossed with Brazilian varieties resistant to aluminum toxicity.

Asked about the possibility of a wheat yield explosion in Brazil similar to those in Mexico and India, Dr. Lagos said, "Mexico, Italy, and India irrigate their wheat in arid and semi-arid regions, and they suffer only stem rust. Here there is an excess of rain and plant diseases. Because of that I don't anticipate a similar breakthrough."

A more optimistic view is that of Dr. John W. Gibler, technical director of the intensified wheat program that Massey Ferguson is carrying out in Brazil in cooperation with FAO. Dr. Gibler believes, "The outlook [for a breakthrough] is excellent. Within 3 years, Brazil will rapidly close the gap between domestic production and total requirements—but not entirely because of expanding consumption needs. Brazil has the capacity within 10 years to come much closer to self-sufficiency."

Another view—that of a responsible official of the Bank of Brazil—is that fulfillment of 50 percent of domestic requirements is about the most that domestic wheat suppliers can reasonably achieve in the foreseeable future. He believes this halfway figure (at present consumption levels) might be reached as early as next season. Brazil grows only soft wheat and must therefore import hard wheat to mix with domestic types.

The United Nations Development Program has set aside over $1 million to finance a 4-year project to be executed by FAO to assist the Government of Brazil in developing and increasing wheat production. FAO plans a coordinated research program focused on problems of soil fertility, plant breeding, and plant pathology in the three southern wheat-producing States. When this first phase of the project is successfully completed, the UNDP will consider another Government of Brazil application to enlarge the project to include nontraditional growing States.

Storing and transporting 1969 wheat

Having had no hailstorms or heavy winds or too much rain through December, Rio Grande do Sul gives promise of harvesting 750,000 to 800,000 metric tons of wheat; Paraná, 160,000 to 180,000 tons; and Santa Catarina, 50,000 to 60,000 tons. This forecast of 960,000 to 1,040,000 tons was made by representatives of a federation of cooperatives accounting for 85 percent of total wheat output in the State of Rio Grande do Sul. The Ministry of Agriculture predicts 1.1 million tons.

Last year, with the unprecedented outturn of nearly 600,000 metric tons in Rio Grande do Sul, the newspapers told about wheat piled in schoolhouses, clubs, churches, military barracks, and even in the open air for lack of warehousing and transportation. Losses resulting from lack of protection were estimated at 40,000 metric tons.

Despite feverish construction activity during 1969, many are uneasy about the storage and handling problems likely to arise in the wake of this year's harvest. Estimates of the adequacy of the current wheat-storage capacity in the three wheat States vary. The accompanying table is a summary compiled by Sunab, the National Supply Agency of Brazil, of the storage for bulk and bagged grain in the three southern States. According to this source, off-farm grain storage capacity in the three States is 1,325,331 metric tons. Projects planned or under construction would bring the total to 1,579,431 tons. It is to be remembered that a wheat harvest must compete for space with other crop carryovers even though wheat is harvested largely in November and December, and the other major grain crops—corn, rice, and soybeans—in March, April, and May (corn continues till July).

GRAIN STORAGE CAPACITY IN 3 BRAZIL STATES

Item	Capacity of— Warehouses	Capacity of— Silos	Total
	Metric tons	*Metric tons*	*Metric tons*
Rio Grande do Sul storage:			
In use	525,628	317,914	843,542
Under construction or projected	42,600	159,000	201,600
Santa Catarina storage:			
In use	114,335	29,197	143,532
Under construction or projected	9,000	6,000	15,000
Paraná storage:			
In use	309,100	29,157	338,257
Under construction or projected	6,000	31,500	49,677

It has been announced in the press that it is planned to ship some 350,000 tons, nearly half, of the Rio Grande do Sul wheat harvest to other Brazilian destinations by sea, and 220,000 tons by railway, leaving the balance to be consumed at home. It may be anticipated that a large share of the coastwise movement of the 1969 crop will be handled through the port of Rio Grande, the deepest water port in southern Brazil. Also, the Government of Brazil has leased from Argentina a 5,000-ton ship, which will be used as a floating silo for the duration of the 1969-70 harvest season.

Sizing up the future

Brazil is close to having two good wheat crops in a row. Given a continuation of the favorable dry, cool springs that occurred last year and this, still another record could be set in 1970-71. But scientists point out that they have not yet developed Brazilian wheat varieties that will assure success every year. Yet, undeniably, progress has been made.

Technicians agree that with local wheat still susceptible to disease—especially Septoria and Gibberela—these diseases will reduce yields during a humid spring. Nonetheless, Brazil is far enough along in its wheat improvement that diseases and pests will not cause a widespread crop failure of the scope of the one that occurred in 1957. Then "city farmers," lured by stories of easy profits in 1955, had invested their law and medical earnings in rented lands and tried to grow wheat without know-how or adequate inputs.

Growers have been attracted into growing more wheat by the promise of good returns. But the high domestic wheat subsidy is a heavy burden on the consumers, and it is believed that the real price to producers may have reached its maximum this year.

In recent months several Ministries of the Government of Brazil have turned their attention to the problem of maintaining a wheat "flow" so that the harvest will neither flood the storage facilities nor choke the roads and railways and ports. This too, is very costly.

Scene last month in Plenary Hall of FAO's headquarters building in Rome, Italy, as delegates assembled at one of the plenary meetings of the latest biennial session of the FAO Conference. The organization now has 119 member countries.

FAO Begins Its Twenty-Fifth Year

By RALPH W. PHILLIPS
Director, International Organizations Staff

Dr. Phillips was Alternate U.S. Delegate to the Fifteenth Session of the Conference of the Food and Agriculture Organization of the United Nations held last month at FAO headquarters in Rome, Italy. In this article, he reviews major changes in the organization in its first 24 years and reports on the latest biennial session of the Conference, which is FAO's supreme governing body.

The Food and Agriculture Organization of the United Nations came into being at a conference called for the express purpose of establishing it in the city of Quebec, Canada, on October 16, 1945. By the end of that meeting, FAO had 39 countries as members, and 3 other countries had indicated their intention of joining.

Last month, at the end of the Fifteenth Session of the FAO Conference in Rome, the organization had 119 members; during the session two more countries joined—the Czechoslovakia Socialist Republic and the People's Republic of Southern Yemen. (It was the second time around for Czechoslovakia, a founding member that withdrew in 1950.)

Even more notable than the growth of its membership, however, have been the other changes that have taken place in FAO in the now-going-on-25 years since its establishment. Particularly significant have been the growth in its budget and the expansion of its programs.

Increase in funds

FAO's budget for its regular program has increased substantially since the member governments voted $2.5 million for the first financial year. More recently a system of biennial programing and budgeting has been used. For the 1970-71 biennium, the regular budget voted is about $35.3 million annually. In 1968-69, the U.S. contribution to this budget was 31.91 percent; in 1970-71, it will be 31.57 percent.

However, funds available to FAO from other sources now substantially exceed the funds available for the regular budget. This development has resulted from the advent and growth of major multilateral technical assistance programs. The estimated amount of funds for such programs in 1970 and 1971 is about $94 million each year; the largest part of this amount will come from the United Nations Development Program (UNDP).

At the outset, FAO had no funds for technical assistance to developing countries, although limited amounts from the regular budget were spent for advisory missions to a few countries in the early years. Then in 1947, some $1.16 million was transferred from the United Nations Relief and Rehabilitation Administration for advisory assistance to nine countries; this was spent over a number of years. It was not until the beginning of the Expanded Program of Technical Assistance in 1951, however, that funds of any major consequence were available to FAO for such technical assistance.

Thus, the considerable increase in the overall resources available is a reflection both of increases in the amounts of service to member countries and the nature of that service.

Program trends

During FAO's first 5 years, when activities were financed largely under the regular budget, attention was focused on: International and regional meetings to deal with problems facing the countries concerned; collecting and publishing statistical, technical, and economic information; sending survey missions to a limited number of countries; and organizing subsidiary bodies—such as the International Rice Commission—to facilitate cooperative action among governments.

A second phase, 1951-58, was characterized by a rapid expansion of field activities following the establishment in 1951 of the Expanded Program of Technical Assistance (EPTA); this program brought new financial resources that were about equal to the regular budget. The activities carried out in the first 5 years were continued and expanded, and EPTA resources made it possible to assign experts to advise and assist the governments of many developing countries, to provide some equipment and materials needed by the experts in their

Right, Assistant Secretary of Agriculture Clarence D. Palmby speaks to the Conference. Above, U.S. Delegate Andrew J. Mair—USDA Deputy Assistant Secretary—addresses FAO Council meeting; the Council met before and after the Conference. Author Phillips (directly behind Mr. Mair) and other members of the U.S. Delegation are in second row.

work, to hold training centers, and to provide fellowships. A number of similar projects financed in part by UNICEF were also carried out.

In 1959 a further increase in FAO's field activities began, following the initiation in October 1958 of the United Nations Special Fund (UNSF). These projects were generally larger and of longer duration that those financed under EPTA. They were also broader in scope, and in many instances they were designed to pave the way for investment and further development of agricultural enterprises. In addition, there was an upswing in the resources available for FAO-UNICEF jointly assisted projects.

Late in 1961, a joint UN-FAO World Food Program was initiated. In 1964 FAO and the World Bank (IBRD) began a joint arrangement aimed at coordinating their efforts to facilitate agricultural development. Similar arrangements are now being developed with regional banks in Africa, Asia, and Latin America.

EPTA and UNSF were combined into the U.N. Development Program in 1965, and its overall resources continue to increase somewhat. Some resources have also become available from private and public sources for projects under the general banner of the Freedom From Hunger Campaign.

This general upswing in resources for field activities, which began in 1959, still continues in 1969.

FAO's changing face

As FAO programs, particularly its field program, have expanded, the face of FAO has changed. An increasing amount of time has had to be devoted by the regular staff to the servicing of field projects.

As a result of a recent reorganization (approved by the Conference when it approved the program of work and budget for 1970-71), a Development Department was created to coordinate the planning and implementation of field projects. A corps of FAO country representatives was established to supply on-the-spot leadership of FAO teams and liaison with ministries of agriculture in countries where FAO has substantial field programs. These representatives also cooperate with UNDP resident representatives whenever interagency coordination is required, such as in the planning of projects. There were also a number of other organizational changes aimed at increasing efficiency and improving the effectiveness of FAO's assistance to developing countries.

There have also been a number of important changes in the substantive sectors of the organization. For example, a Fisheries Division was transformed into a Fisheries Department in 1966 to give more emphasis to the international aspects of marine fisheries. Effective January 1, 1970, the Forestry and Forest Products Division will become the Forestry Department—this as a result of action by the recent Conference to give increased emphasis to forestry work.

The Nutrition Division has been transferred from the Agriculture Department to the Economic and Social Department—to insure greater attention to nutritional needs in agricultural development planning. An Agricultural Services Division has been established in the Agriculture Department, partly to provide a base from which to plan and supervise multidisciplinary field projects.

Current accent on five areas

In the program of work approved by the recent Conference, work will continue in 1970 and 1971 in all the major phases of agriculture, economics, fisheries, nutrition, and forestry with which FAO has been concerned in the past.

Five areas of concentration are to be emphasized in 1970-71 and future biennia. These are: (1) High-yielding varieties of basic food crops; (2) filling the protein gap; (3) war on waste; (4) mobilization of human resources for human development; and (5) earning and saving foreign exchange.

The work of FAO in these areas was discussed fully during the Conference. Not only will these areas be emphasized in FAO's regular program, but developing countries will be encouraged to give particular attention to projects in these areas when submitting requests for technical assistance.

Highlights of the Conference

The Conference dealt with a long agenda, which included substantive, constitutional, legal, and administrative matters in addition to approval of the Program of Work and Budget

for 1970-71. A few of the matters considered and actions taken are briefed below.

• Country statements. Representatives of most countries made plenary statements to the Conference regarding the state of food and agriculture in the world. Assistant Secretary of Agriculture Clarence D. Palmby spoke on behalf of the United States. (See *Foreign Agriculture,* Dec. 8, 1969, for excerpts from Mr. Palmby's speech.) In general, the developing countries were concerned about the terms of trade for agricultural products and voiced their desire for the industrialized countries to provide greater access to markets for agricultural products from the developing countries.

The developed countries were concerned with problems relating to trade barriers. Also a number of them were concerned over mounting efforts to achieve self-sufficiency and over surpluses and subsidized exports. The developed importing countries defended protectionism on various grounds.

Eastern European countries tended to have one foot in the developed nations' camp and one in the developing, characterizing themselves as newly emerging nations.

• Apropos of the Indicative World Plan, about which there was an exhaustive discussion, it was recommended that to clarify the real nature of the work it should be called a Perspective Study on World Agricultural Development.

• The Conference undertook a full-scale review of FAO's field programs—for the first time since the early years of technical assistance. The review covered all aspects—from planning through operation and evaluation. These programs use about two-thirds of FAO's professional staff of approximately 3,000. The review was highly successful and will be continued in some form in future Conferences.

The Conference assigned again to the FAO Council and Program Committee the task of restudying Conference procedures with a view to bringing about additional improvements. Over the years, the Conference has undergone many changes as a result of efforts to find more effective ways of dealing with both the legislative and technical review aspects of the work undertaken by the Conference. Among the additional improvements sought is a shortening of the time period required in dealing with such matters.

• A target of $300 million for voluntary contributions to the World Food Program during 1970 and 1971 was established in a Conference resolution. A pledging conference will be held early in 1970.

• Michel Cepede of France was elected for a 2-year term as Independent Chairman of the FAO Council. There were also elections for membership in the 34-member Council itself; one-third of the Council seats fall vacant yearly, so two-thirds of them are filled by elections at each biennial Conference.

• It was decided that a Special Commemorative Conference in observance of FAO's 25th anniversary (October 16, 1970) will be held for one day in connection with the next regular session of the FAO Council in November 1970. The special conference will also take appropriate note of the 25th anniversary of the United Nations, October 24, 1970.

Australian Wheat Support, Flour Prices Up

The Australian Minister for Primary Industry announced recently that the guaranteed price on 200 million bushels of export wheat for the 1969-70 crop will be $A1.459 ($1 Australian equals $1.12 U. S.) per bushel, on an f.a.q. bulk basis, f.o.b. ports. This is an increase of 0.9 cents per bushel over the guaranteed price for the 1969 season.

In accordance with complementary State legislation, the home consumption price will rise by the same amount as the increase in the guaranteed export price. The home consumption price includes an amount to meet the cost of shipping wheat from the mainland to Tasmania. For 1970, this amount is set at 1.6 cents per bushel, compared with 1.0 cents per bushel in 1969. Consequently, the total increase in the home consumption price will be 1.5 cents per bushel to $1.725 for f.a.q. bulk wheat f.o.r. main ports.

As a result of the increase in the domestic market price of wheat for human consumption, the flour milling industry has increased the price of bread flour by $3.75 per short ton to $100.90 per short ton ex metropolitan mills, packed in 150-pound bags.

Bread prices are expected to be increased by about 1 cent per 2-pound loaf. The New South Wales Bread Manufacturers' Association is preparing an application to the State Prices Commissioner for approval of this increase. Although the higher flour prices will be one factor in this move, the application will be largely based on higher production costs as a result of increased wage rates.

The new home consumption price will apply to wheat for human consumption only. Under new legislation, passed or to be passed by the States, the Australian Wheat Board has been given discretion to vary the home consumption price for stockfeed wheat and wheat for industrial purposes. Accordingly, the Wheat Board announced recently that the price of stockfeed wheat has been lowered to $1.50 per bushel, and wheat for industrial users, such as starch manufacturers, to $1.435 per bushel.

The Wheat Board is prepared to lower the price of stockfeed wheat to the industrial rates of $1.435 for compounders who will agree to purchase all their 1969-70 requirements from the Wheat Board. Wheat industry authorities believe, however, that with the large volume of wheat being traded across State borders (see *Foreign Agriculture,* Dec. 22, 1969) at prices ranging from 60 to 80 cents per bushel, Wheat Board sales of stockfeed wheat at the new reduced price will be small.

The reduction in the Wheat Board price for stockfeed wheat has obliged flour millers to reduce the price of bran and pollard. Sales of these products have already slowed considerably in recent months as a result of lower coarse grain prices. The reduction in prices of $17.50 per short ton now brings the quotation ex Sydney mills to $24 per short ton for bran and $26 per short ton for pollard.

In spite of this sharp reduction of nearly 43 percent in bran and pollard prices, the market for mill offals will continue to be weak in the foreseeable future: stockfeed millers will be able to purchase wheat and coarse grains at prices which make it difficult for bran and pollard to compete. Consequently, it may be expected that the trend toward increased exports of bran and pollard will continue, particularly to markets in the Pacific and Southeast Asia.

—Based on dispatch from Office of U. S. Agricultural Attaché, Canberra

Expanding tourism in Singapore has created a demand for more hotels and added to the number of poultry consumers.

Poultry Markets: Pacific Isles and Singapore

By NORMAN G. PAULHUS
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A recent poultry market survey of Singapore and the Pacific Islands of Tahiti, Fiji, and New Caledonia indicates that there is good promise for continued expansion of poultry exports to this overall market area. The increase in air service coupled with the rapid expansion of first-class hotel facilities to accommodate the growing numbers of tourists has helped to create a rising demand for U. S. poultry products in these areas.

Singapore

Of all the markets visited during this survey, the most promising potential for poultry products was found in Singapore. The rapid development of hotels and restaurants offers a marketing opportunity for a variety of poultry products. Since 1963, this market has shown fairly consistent growth, and in 1968, with U. S. shipments of 2,253,000 pounds, Singapore ranked 14th among all export markets for U. S. poultry products.

The major wholesale and retail firms in Singapore are already handling a wide line of U. S. poultry products. However, there has been a shift in products shipped to this market to meet the competition from other suppliers. In 1966 the great bulk of U. S. exports to Singapore consisted of whole broilers, but, in 1968 slightly over 82 percent of the total consisted of chicken parts.

In Singapore the leading supermarkets displayed in refrigerated showcases U. S. poultry parts consisting of cut-up whole broilers, breasts, thighs, drumsticks, and wings packed in 1 pound overwrapped boxes. U. S. whole turkeys (14 to 16 pounds) and Danish turkeys in the same size category were also prominently displayed. In one major supermarket, sliced turkey and chicken rolls were being sold to consumers in the delicatessen section. There is a segment of the Singapore consumer market which is quality minded and quite willing to pay for good products. Some have become brand conscious and a few agents for U. S. poultry products have been able to capitalize on this and expand their sales.

The industrialization and economic development in Singapore indicate that there should be a continued growth of the gross national product which will tend to improve consumer incomes. Furthermore, Singapore is currently gearing up to capture more foreign exchange from tourism. In 1968 there were over 300,000 visitors, 25 percent more than in 1967; 340,000 are expected this year and a half million by 1972. Some 30 new hotels are under construction in preparation for the jumbo-jet era and there will be more air links between Singapore and Bali in the hope that visitors will stop off for a few days in Singapore. Shoppers are being attracted to new shopping arcades and a resort area is to be established on one of the offshore islands. There is also the possibility that one of the British bases northeast of Singapore may be turned into a tourist complex.

This Asian port city is also a transportation center from which other Far East points can be serviced. By the end of 1969, it is estimated that some 2 or 3 percent of total cargo handled will be containerized. This proportion is expected to rise to about 25 percent during the next 3 years as fully containerized ships move into the Japan-Europe run. A container terminal is now under construction with the first phase due to be completed by the end of 1970 and the addition of a container-handling crane should be completed by 1971. The new terminal will provide 2,250 feet of wharf space and 100 acres of land are reserved for backup facilities.

Three of the major U. S. poultry importers participated in the recent Processed Food Show held at the Malaysia Hotel in Singapore, November 3-5, 1969. A food seminar which included a fancy beef and poultry preparation demonstration was held twice daily during the food show. The seminars were very well attended by local chefs and their assistants, hotel and restaurant food buyers, and students enrolled at the local hotel training school. After attending such a seminar, the general manager of a large new hotel said this was the first such promotion he had seen in Singapore and recommended that further demonstrations be conducted in the future for chefs and cooks.

In view of the success of the seminars, such demonstrations featuring the preparation and serving of a variety of poultry dishes should be repeated. The major emphasis in the future should be in providing information and recipes to chefs on the use and preparation of U. S. poultry products in developing their menus. Some of our products such as turkey and chicken rolls, turkey breasts and roasts, and portion-control items are not familiar to some of the European chefs who staff several of the new hotels, or to students at the hotel training school. There is an opportunity in Singapore to work in cooperation with the hotel training school which has extended an invitation to FAS to have its chef hold a demonstration at the school during his next visit.

In some Pacific Islands, U. S. whole broilers and chickens parts are displayed in the major retail stores and are selling very well. Local poultry production is limited by the relatively high feed costs and it does not appear that these small islands will become self-sufficient in poultry products. Shipping by surface presents some problems because of the limited refrigerated cargo space and also because of the infrequent service of vessels to small islands. All purchases of U. S. poultry must be planned at least 3 and sometimes 6 weeks in advance of the planned delivery date.

Tahiti

Within the Pacific Island group, Tahiti, a French possession, has shown the greatest promise in the last few years, and U. S. poultry exports have increased from 601,000 pounds in 1963 to 1,785,000 pounds in 1968. Whole broilers comprised more than half of all the poultry shipped to this market in 1968. Chicken parts, especially wings, drumsticks, and whole legs comprise the next largest category supplied to the retail trade. Altogether, whole chicken and chicken parts accounted for 85 percent of all the poultry sold to Tahiti. The demand for whole turkeys and turkey products has been limited but has shown consistent growth during the past 5 years. The brightest prospects for turkey and turkey products appear to be in servicing the food requirements of the new hotels and restaurants which are being built and in the planning stages. Although this specialized market cannot be considered a truckload market, there is every indication that the growth potential in this area will be quite significant.

It must be recognized that although we have been the dominant supplier of poultry products to Tahiti, we have been challenged very seriously by Danish whole chicken imports in the past 3 months. The subsidized prices for Danish whole Grade A broilers packed in Cryovac film are from 25 to 30 percent below U. S. whole broiler quotations c.i.f. Tahiti. This wide range in prices has caused some firms to shift entirely to Danish broilers in recent weeks. Although the largest receivers of U. S. whole broilers indicate a preference for the U. S. product, they have been forced by their competition to stock and sell Danish poultry as well. Under the conditions observed during the market survey, it appears that Danish whole broilers will continue to pose a serious threat to U. S. broilers. Sales emphasis should be shifted to chicken parts and especially to whole turkeys, turkey and chicken rolls and roasts, and portion-control items suited to the hotel and restaurant trade.

Tourism is in its infancy in Tahiti and is developing at an extremely rapid rate. By placing greater emphasis on poultry products suited to the sophisticated food service trade, it should be possible for U. S. poultry exporters to hold a good share of this growing demand.

Fiji

The Island of Fiji, a British possession, is also becoming more important as a tourist attraction and hotels are being built at a very rapid rate. It is estimated that an additional 300 hotel rooms per year will be required to keep pace with the projected growth rate for tourism. New hotel facilities have been developed in Suva, the capital, and there are a number of new hotels and motels at Nadi adjoining the international airport. Some excellent facilities have also been developed on the beaches along the coast and on neighboring islands. A new highway is being planned which will connect Suva and Nadi.

Unfortunately, Fiji maintains a Newcastle disease barrier with the result that U. S. poultry either whole or in parts is prohibited entry. Only poultry from Australia and New Zealand has free access to his market. The restriction on U. S. poultry does not apply to poultry carcasses or parts which have been properly sterilized and tinned and hermetically sealed. There are also import duties applicable to imported poultry products. The Commonwealth preferential duty is 25 percent and the general import duty which is applicable to U. S. products is 45 percent. Canned beef, mutton, pork, and poultry meat of any type or form are allowed entry subject to the following condition: 1 percent sample of each batch contained in each shipment is to be sent to the veterinary pathologist. Consignments or parts thereof are to be released only after a statement of negative bacteriological test is received. Batches showing positive tests are to be marked R for reject and held for re-export or destruction.

The combination of import duties and sampling procedures presents serious restrictions to the entry of any raw poultry products into Fiji. Discussions were held with veterinary officials to determine the possibility of entry for cooked U. S. poultry products, with particular emphasis on cooked turkey and chicken rolls suited to the hotel and restaurant trade. As a result of these discussions, it was agreed that the U. S. Consul would submit preliminary cooked poultry product samples to the Fiji Veterinary Department to determine the possibility of gaining entrance for such products. It was made clear, however, that any product entering Fiji will be subject to the 1-percent sampling procedure and examination as mentioned earlier.

New Caledonia

The economy of New Caledonia, a French possession, is dominated by nickel mining operations and nickel exports. This is reflected in higher average incomes than are found in the other Pacific islands. Poultry imports are subject to Common Market regulations and local broilers and fowl predominate at retail. However, also on display are broilers, hens, and ducks of Dutch origin and small (2 pound) raw-turkey rolls of French origin. U. S. poultry imports are restricted by regulations which require veterinary certification that the product was produced in an area which was free of Newcastle disease for 40 days prior to processing.

Discussions were held with the veterinary official to determine the possibility of gaining access for U. S. cooked products. It appears that it will be necessary to develop an agree-

(Continued on next page)

Gathering sap in maple sugar bush, Ontario

U.S. Maple Products Depend on Canadian Sugar

Maple sirup is as much an old-fashioned American staple as flapjacks for breakfast, and demand for it in the United States is on the rise. Maple sugar production in the northern American States, however, seems to have reached its peak, and commercial blended sirup manufacturers are depending more and more on Canada as a sugar source.

The sugar maple tree, whose sap is boiled down to a thick sweet sirup, grows only in North America. For centuries, trade in it has been strictly across the U. S.-Canadian border. For some time Canada imported maple sugar and sirup from the United States, but for at least a decade the situation has been reversed. Canada now puts out more than twice as much maple sirup as the United States.

In 1960, when Canada's total production was up to almost 2.4 million gallons (sirup equivalent), 1.3 million were exported to the United States. This was almost half the amount U. S. industry needed for making sirup and candy that year. In 1969 sales to the United States will be close to 1.5 million, nearly 65 percent of this country's requirements.

Sugaring is largely a marginal industry carried on by farmers who have sugar maples on their property. Production cutbacks in the United States in some cases have been the result of neglected trees or waning interest in maintaining tap lines and onfarm evaporation. The huge demand for maple lumber has prompted many farmers to cut and sell their trees, and because of the maple's slow growth to maturity there has been little incentive to plant new ones. Adverse weather, too, has had its effect. In 1967 and 1968 poor conditions cut U. S. production by almost a third, and Canada was called upon to fill the void.

But even Canada's vast woodlands will release only so much maple sap, and commercial sirup manufacturers in the United States have had to find ways to stretch supplies. Some have lowered the content of pure maple sirup in their products to 10 percent or less, filling them out with cane sirup (artificially colored and flavored) and marketing them as just "sirup" or "pancake sirup".

Imitation maple sirup is not likely to completely replace the real thing anytime soon, however, nor is maple sugaring likely to die out. In the United States and Canada sugaring is a regional winter tradition, and farmers who count on its off-season income meticulously care for their sugar bushes and family processing enterprises.

(Continued from page 14)

ment in the preparation of U. S. export certificates which will establish and certify the cooking procedures for cooked poultry products destined for New Caledonia. Once a suitable procedure has been established it is expected that some cooked poultry products may have access to this market. Presently, it appears that cooked chicken and turkey rolls and precooked items suitable to the hotel and restaurant trade could be marketed in limited quantities. The overall potential is not as promising as that for Fiji and Tahiti because of the restrictions and also because there is less emphasis on tourism.

American Samoa and Guam

American Samoa and Guam also feature U. S. poultry products, and though these markets are limited in size, there are opportunities for marketing a variety of poultry products. It is anticipated that further USDA promotional programs will be planned for some of the markets discussed and it is recommended that poultry exporters or their representatives should participate and capitalize on these opportunities to find new agents and to make sales.

Around the Markets Wit

Kenneth Nuernberg explains various cuts of meat in Singapore.

Above, U. S. products on display in Hong Kong; below, turkey gobblers in Tokyo.

During a 6-week period in October and November, top U. S. food firms teamed with FAS in a "flying food show," taking their products directly to the trade in four Far Eastern and one Middle Eastern market, and two of the Alpine area's commercial centers.

When it was over, evaluation reports showed: Direct sales contacts with approximately 18,000 overseas tradesmen; more than $300,000 in on-the-spot sales of U. S. foods; and prospective sales of at least $5.5 million over the next 12 months as a result of contacts made at the promotions.

Each exhibit was open for 2 or 3 days which gave local chefs, restaurant owners, and food tradesmen an opportunity to learn more about new U. S. food service techniques, and to see a wide variety of American food products.

The major thrust of the exhibits was on high-quality U. S. beef, turkey, and processed convenience foods. High-quality beef, in particular, is in great demand in Asia, not only to supply the rapidly expanding tourist trade, but also to meet requirements of Asians, whose new prosperity is leading to upgraded diets.

A feature of the shows was the seminars, held twice daily to explain and demonstrate uses of American beef, poultry, and convenience foods. Conducting the seminars were Kenneth L. Nuernberg, meat marketing specialist with USDA, who explained quality beef cuts; Dr. Jeremiah J. Wanderstock, professor of hotel administration, Cornell University, who discussed uses and economics of U. S. convenience foods; and Herman Leis, chef, restaurateur, and food lecturer, who demonstrated practical methods of preparing meat and turkey dishes.

Kyoto

Eleven American food companies and five cooperator groups exhibited some

1,000 items in Kyoto. Approximately 700 trade representatives from hotels, restaurants, and catering organizations attended 2-hour seminars held morning and afternoon on the preparation and serving of the institutional pack items.

Total attendance for the 2-day exhibit, including an evening reception for the trade, was estimated at about 1,100 persons, including 10 representatives of trade publications. A preliminary survey indicates at least $70,000 in business was transacted at the exhibit; sales for the next year are projected at $500,000.

Tokyo

The format was similar in Tokyo, with the exception that four more American companies participated. Attendance at the seminars surpassed the Kyoto figure with estimates near 1,000.

…e "Flying Food Show"

An early count shows that at least $200,000 in business was lined up at the exhibit, and sales over the next year are projected at $1.5 million. Coverage of the event by both the trade and general press in Tokyo was excellent.

Hong Kong

Some 1,250 institutional users of food came to the U. S. exhibit at the Hilton Hotel in Hong Hong where 1,500 individual items were exhibited by 45 American firms and the Institute of American Poultry Industries. The exhibit was paralleled by a special restaurant promotion of beef and other U. S. foods in the main dining room.

Singapore

Approximately 275 persons attended the exhibit at Singapore's Hotel Malaysia.

Left, speaking at one of the seminars held on food buying, menu planning, and meal preparation, Dr. Wanderstock explains American convenience foods.

In addition to the seminars, the Hotel's dining room was converted to a "Steakhouse USA". Surprised patrons found themselves being served typical U. S. meals by young Asian men and women garbed in ranch-style costumes.

Tel Aviv

During a one-day stopover in Tel Aviv the team held a meat seminar for 120 trade members, including managers of first-call hotels and their staffs, and representatives of the airlines. The excellent quality of the meat exhibited was generally recognized—a somewhat surprising fact since Israeli preference has traditionally been for very lean cuts. The seminar proved that there is a definite interest in prime cuts of U. S. beef in Israel—possibly even beyond the institutional trade at which this first effort was aimed.

Alpine shows

Moving northwest to the mountains—14,000 people visited the U. S. exhibit at the International Catering and Hotel Exhibition (IGEHO) in Basel, Switzerland. Immediate sales of $37,500 were registered, and sales for the next 12 months are projected at $2,380,000.

From Basel the team moved to a trade-only exhibit held at the Hotel Pitter in Salzburg, Austria. Despite a heavy snow, about 325 members of the trade managed to view the U. S. exhibit and attend the seminars. Sales of $3,800 were recorded on-the-spot, and $414,000 in sales are expected during the next year from contacts made in Salzburg.

Left, this dramatic window display advertising U. S. foods filled the three large show windows of the ground floor exhibit area at the U. S. Trade Center in Tokyo.

Above, at a seminar in Hong Kong, Herman Leis discusses the merits of American turkeys with members of the food trade; below, representatives of U.S. exhibitors and interested local tradesmen discuss business in the trade lounge located near the U. S. exhibit in Salzburg.

United Kingdom Trims Tariffs on Some Farm Products

Additional duty reductions on imports of some agricultural products to the United Kingdom go into effect on January 1, 1970, as a result of negotiations carried on during the Kennedy Round under the General Agreements on Tariffs and Trade (GATT). Items for which there are changes that are of particular interest to U.S. exporters are listed in the table or mentioned in the short accompanying text. Some products are important to U.S. exports; others are commodities involved in trade promotion and Foreign Agricultural Service cooperator activities.

Information is given below on tariff changes for some products not listed in the table.

Tariff reductions are made for certain types of leather from cattle and for some articles made out of leather. Both raw and dressed fur skins will have lowered duties.

For preserved fruits, the cut in tariff on raisins, sultanas, and dried grapes other than currants is important. Rates are being lowered from US$0.80 per hundredweight (112 lb.) to $0.69 per hundredweight. Reductions in tariffs on other fruits and vegetables apply to olives, dates (with pits), tomato juices, fruit cocktail and fruit salad, pineapple juice, and corn on the cob.

For grains, there is an important drop in the tariff on rice—down from $0.57 per hundredweight to $0.49.

—Based on dispatch from David L. Hume
U. S. Agricultural Attaché, London

UNITED KINGDOM: REDUCTIONS IN IMPORT TARIFFS ON AGRICULTURAL GOODS

Product	Ad valorem rate		Dates effective
	Old	New	
Meats:	*Percent*	*Percent*	
Edible offals, beef and veal, except sweetbreads and tongues	16	14	January 1, 1970, and on.
Sausages, meat, meat offal, or animal blood	18	17	do.
Pastes, meat or meat offal, except wholly pork	18	17	do.
Prepared or preserved beef and veal in airtight containers, except tongues and jellied veal	18	17	do.
Meat extracts and juices, beef and veal	16	14	do.
Seafoods:			
Salmon, canned	4	3	do.
Vegetables, fresh or chilled:			
Carrots	8	7	November 1 through March 31, starting 1970.
Celery	8	7	—
Tomatoes	9	8	November 16 through March 31, starting 1970.
Vegetables, preserved or processed:			
Pulses:			
White beans including haricots, dried, except butter beans	6	5	January 1, 1970, and on.
Butter beans, beans other than white and haricot, and lentils	8	7	do.
Fruits, fresh:			
Grapes, except hothouse	8	7	September 1 through January 31, starting 1970.
Lemons and limes	8	7	January 1, 1970, and on.
Peaches and nectarines, except hothouse raised	8	7	April 1 through November 30, starting 1970.
Plums	8	7	April 1 through June 15, and November 1 through November 30, starting 1970.
Fruits, preserved or processed:			
Peaches, canned, sugar added	9½	8	January 1, 1970, and on.
Fats, oils, and oilcake:			
Soybean cake and meal	13	12	do.
Herring oil	8	7	do.
Cotton:			
Fiber, bleached or dyed, not carded or combed	8	7	do.
Linters, bleached	6	5	do.
Plywood:			
Veneered items, both panels and sheets, not plywood	16	14	January 1, 1970, and on.
Plywood	8	7	do.

CROPS AND MARKETS SHORTS

U.S. Exports of Soybeans, Oils, Meals

U. S. exports of soybeans in October totaled 52.5 million bushels, setting a new record for monthly exports. The September-October total reached 65.8 million bushels, 41 percent or 19.1 million bushels more than the same period last year. Most of the increase was destined for the European Community, Japan, and Canada. Exports to Canada, however, include soybeans for transshipment to destinations unknown at the time of shipment.

Exports of soybean oil the first month of the new marketing year totaled only 55.4 million pounds, 31 percent less than the 80.1 million exported in October 1968. No estimates are available as yet on the quantity of soybean oil shipped under Title I of Public Law 480. Title I shipments, however, may have accounted for roughly 53 percent of the total, since oil for donations by voluntary agencies totaled 9.9 million pounds and exports for dollars reportedly totaled 15-16 million pounds.

Cottonseed oil exports in October increased to 48.4 million pounds from a low of 3.9 million a year ago. The 22-million-pound shipment to the United Arab Republic represented 45 percent of the monthly total and exceeded 1968-69 exports to the UAR by 28 percent. Substantial quantities of cottonseed oil were also exported to Iran (8.7 mil.lb.), Venezuela (7.9 mil.lb.), Sweden (2.1 mil.lb.), and Japan (1.8 mil.lb.). Virtually all cottonseed oil exports were dollar sales.

Soybean meal exports reached 290,300 tons—up 72 percent from October exports last year. Over four-fifths of the soybean meal was shipped to the EC. Increased purchases by all Member countries brought the EC total to 237,000 tons, 107 percent above the previous year's exports. Spain, the United Kingdom, and Canada also received larger quantities of soybean meal in October. With an increase in exports of linseed meal as well, total exports of cakes and meals rose to 319,600 tons, 68 percent above exports in October 1968.

U.S. EXPORTS OF SOYBEANS, OILS, AND MEAL

Item and country of destination	Unit	October 1968[1]	October 1969[1]	Sept.-Oct. 1968-69[1]	Sept.-Oct. 1969-70[1]
SOYBEANS					
Belgium-Luxembourg	Mil. bu.	1.5	3.1	1.6	3.4
France	do.	.1	0	.1	0
Germany, West	do.	4.3	3.7	5.0	4.7
Italy	do.	3.3	3.1	3.3	3.1
Netherlands	do.	6.2	7.2	8.3	9.0
Total EC	do.	15.4	17.1	18.3	20.2
Japan	do.	4.4	11.1	9.3	17.3
Canada	do.	7.3	11.5	8.4	13.6
Denmark	do.	1.0	3.0	1.9	3.0
Spain	do.	3.2	2.5	4.8	2.9
China, Taiwan	do.	1.0	1.5	2.4	2.6
Israel	do.	0	2.3	0	2.3
Other	do.	.5	3.5	1.6	3.9
Total	do.	32.8	52.5	46.7	65.8
Oil equivalent	Mil. lb.	359.8	576.5	512.4	723.0
Meal equivalent	1,000 tons	770.8	1,233.8	1,097.5	1,546.3
		October 1968[1]	October 1969[1]	Oct.-Sept. 1967-68[1]	Oct.-Sept. 1968-69[1]
EDIBLE OILS					
Soybean:[2]					
India	Mil. lb.	5.5	6.0	195.8	327.9
Pakistan	do.	36.8	0	223.7	131.4
Tunisia	do.	.1	21.8	96.7	57.5
Vietnam, South	do.	1.8	4.2	36.7	42.8
Israel	do.	4.5	2.8	49.4	34.2
Chile	do.	1.7	(3)	33.2	30.5
Canada	do.	2.0	1.4	25.1	29.3
Morocco	do.	8.5	.8	54.8	28.1
Dominican Republic	do.	1.9	3.7	50.0	27.7
Iran	do.	(3)	(3)	11.6	24.4
Haiti	do.	2.0	1.8	16.6	19.2
Jamaica	do.	.2	.9	9.4	11.6
Other	do.	15.1	12.0	164.2	99.4
Total	do.	80.1	55.4	967.2	864.0
Cottonseed:[2]					
Venezuela	do.	2.8	7.9	34.9	70.4
United Arab Republic	do.	0	22.0	0	17.2
Canada	do.	.8	2.0	7.5	15.6
Germany, West	do.	0	2.7	.4	15.3
Netherlands	do.	0	.2	.5	10.2
Other	do.	.3	13.6	5.7	15.1
Total	do.	3.9	48.4	49.0	143.8
Total oils	do.	84.0	103.8	1,016.2	1,007.8

Item and country of destination	Unit	October 1968[1]	October 1969[1]	Oct.-Sept. 1967-68[1]	Oct.-Sept. 1968-69[1]
CAKES AND MEALS					
Soybean:					
Belgium-Luxembourg	1,000 tons	8.7	14.6	240.7	166.9
France	do.	30.9	49.5	495.4	471.8
Germany, West	do.	44.1	106.3	508.2	636.5
Italy	do.	11.4	15.4	190.5	231.9
Netherlands	do.	19.5	51.9	546.9	515.8
Total EC	do.	114.6	237.7	1,981.7	2,022.9
Canada	do.	20.5	22.1	227.8	303.3
Yugoslavia	do.	0	0	113.7	143.3
Poland	do.	8.6	0	80.6	103.0
Spain	do.	14.2	19.4	15.0	96.1
Switzerland	do.	5.8	.7	9.4	64.3
Philippines	do.	1.1	1.2	47.7	43.8
Ireland	do.	0	0	31.0	43.2
United Kingdom	do.	0	3.9	82.0	38.5
Bulgaria	do.	0	0	41.4	32.7
Hungary	do.	0	0	50.4	28.6
Portugal	do.	0	0	24.1	27.3
Australia	do.	.9	1.4	27.1	25.4
Other	do.	3.3	3.9	167.6	112.4
Total	do.	169.0	290.3	2,899.5	3,084.8
Cottonseed	do.	.4	.3	2.9	15.0
Linseed	do.	12.2	23.6	103.7	78.4
Total cakes and meals[4]	do.	190.2	319.6	3,084.9	3,236.4

[1] Preliminary. [2] Includes shipments under P.L. 480 as reported by Census. [3] Less than 50,000 lb. [4] Includes peanut cake and meal and small quantities of other cakes and meals. Computed from rounded numbers. Bureau of the Census.

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